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APR 4 1955

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MEMORANDUM FOR: Director of Central Intelligence

SUBJECT : Inspector General Survey of the Office of
Security, July 1954

1. This Survey made 19 specific recommendations and, in addition, recommended that appropriate action be taken on the supplementary recommendations and indications of deficiencies contained in the text of the Survey Report. These supplementary items have been carefully isolated and have either been related to the 19 basic recommendations or have been set up as additional recommendations. There are 19 such additional recommendations.

2. The action status of these 39 major findings of the Inspector General as of 1 March 1955 is as follows:

<u>Action</u>	<u>Items</u>	<u>Tab</u>
Censur - Action completed or in process	22	A
Censur - Action postponed	4	B
Qualified concurrence - Action completed or in process	5	C
No comment pending further study . . .	2	D
Non-concurrence	6	E
Total	<u>39</u>	

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3. The individual recommendations and a full report thereon have been sorted by the categories indicated above and are attached under the appropriate tab.

4. In each case of non-concurrence or concurrence with qualifications, I will confer with the Inspector General to determine whether he will withdraw or modify his recommendations after considering the additional information furnished. In addition, a copy of this Report will be sent to the Inspector General for his perusal, to insure that our interpretation of his recommendations and the action taken actually are consistent with his findings.

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5. Unless desired, no further report will be issued to you on the recommendations in Tabs A and B. A report will be made to you on 1 June 1955 on the disposition of the items in Tabs C, D and E.

15/
L. K. WHITE
Deputy Director
(Support)

Attachments

cc: Inspector General
Director of Security

SA-DD/S:EDE:mrp (28 February 1955)

Distribution: 0 + 1 D address

1 - DD/S Chrono

1 - DD/S Subject

~~1 - E.D.E.~~

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RECOMMENDATION #1

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The Director of Security should commend his personnel, including [REDACTED] for their excellence of performance, discipline under difficult circumstances, and devotion to duty. They should know also that the Security Office is effectively carrying out the Security programs and policies of the Agency.

ACTION

This recommendation was implemented by a memorandum of commendation to all members of the Security Office, issued 27 July 1954 by the Director of Security.

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RECOMMENDATION #2

An accelerated program should be devised for completing the polygraph interviews of the 331 on-duty employees at Headquarters. This backlog of interviews should be completed by the end of October 1954.

SUPPLEMENTARY

Page 32, paragraph 4 of the Survey text states that it is now Agency policy that all applicants and on-duty employees receive an initial polygraph interview. By inference the following questions are contained in the above policy:

- a. Are all applicants receiving a polygraph interview before entering on duty?
- b. Are all returnees to Headquarters from overseas duty being given a polygraph interview on a prompt and current basis?

ACTION

All but two employees at Headquarters have received a polygraph interview. One of these two employees has been scheduled to be interviewed and the other employee has promised to arrange for an interview in the near future.

The Agency policy that all applicants receive an initial polygraph interview as soon as practicable after they enter on duty is being carried out on a current basis.

All returnees to Headquarters from PCS duty overseas are being given a polygraph interview on a prompt and current basis.

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RECOMMENDATION #7

The Deputy Director (Administration) should personally review the status of the Agency's Safety Program, and take steps to insure that a program sufficient to meet the demands of the Agency is developed.

SUPPLEMENTARY

Underlying this recommendation the Survey on page 31 makes the following comments or recommendations:

- a. That CIA does not have a sufficiently developed safety program.
- b. That higher grades and additional positions are a prerequisite to a satisfactory program.
- c. That explosives and dangerous chemicals are stored improperly.
- d. That construction plans are not being adequately coordinated with the CIA Safety Office.

ACTION

The Security Office has submitted its over-all safety program to the Deputy Director (Support) for review and approval. A copy of the program is attached.

The Security Office has experienced difficulty in finding fully qualified and experienced safety men to fill the two safety officer slots presently available. One position has been filled continuously and the second position has only been filled temporarily for a few months. The incumbent of the second position has indicated he intends to leave soon.

In addition, an enlarged staff is believed necessary to carry out the full safety program.

Action has accordingly been initiated to analyze both the work load and the level of competence required in order to develop an adequate T/O. This will be completed in the near future.

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ATTACHMENT TO RECOMMENDATION #7

CIA SAFETY PROGRAM

A basic CIA Safety Program would include the following:

1. A semi-annual inspection of all Agency buildings with a detailed report and corrective recommendations forwarded to the offices concerned.

2. Annual fire drills in all Agency buildings and a detailed report of findings and recommendations forwarded to the offices concerned.

3. Quarterly inspections of all Agency warehouses and detailed reports forwarded to the offices concerned.

5. A review of plans and specifications for new construction prior to initiation of work.

6. The establishment of Area Safety Officers and a program of appropriate training for these Officers.

7. The review of all plans for the movement and relocation of safes, safe files, etc.

8. Attendance of the Safety Officer or his designee at meetings of the Federal Safety Council.

9. A periodic review of artificial lighting conditions and technical testing as necessary.

10. Technical tests in locations where gasoline operated equipment is used indoors.

11. Coordination with the CIA Emergency Planning Officer with respect to the safety and fire aspects of Agency evacuation plans.

12. The procuring and showing of appropriate films concerning safety and fire hazards.

13. The keeping and posting of statistical data for accident frequency rates, etc.

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ATTACHMENT TO RECOMMENDATION #7 (Continued)

14. An automotive safety program.
15. Attendance at Federal and National Safety Council Schools to gain knowledge of new developments.
16. The procuring of samples, where appropriate, of materials used within the Agency and arranging for tests to determine inflammability, toxicity, etc.
17. Periodic checks of machinery with respect to guards, grounding, eye protection, etc.
18. A current safety poster program.

The above represents a basic safety program for CIA and as experience develops, it is entirely probable that this program will be refined or additional items will be added.

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RECOMMENDATION #10

The Inspector General should conduct a specific review of the progress and degree of Agency-wide support and coordination of Project ANTICHOKE.

ACTION

The representative of the Inspector General's Office has been fully briefed by the Chief of the Security Research Staff, Security Office, on the subject of ANTICHOKE.

The Director of Security concurs in the recommendation of the Inspector General and suggests that such a review of Project ANTICHOKE be made on an Agency-wide basis.

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With respect to the issuance of regular badges to non-CIA employees, there is close control of the small number (27) issued. These are issued only at the direction of the Director of Security or higher authority. In every case the justification is clear. Examples are certain National Security Council personnel, certain members of General Mark Clark Committee. A full security clearance is required prior to issuance, the individuals are fingerprinted, photographed, required to read the CIA security regulations and an extract of the Espionage Laws, sign a Secrecy Agreement, and must attend the Security Indoctrination conducted by the Security Office.

With respect to the issuance of limited building passes and the controls over their use, the situation is considered both adequate and secure. Such passes are issued only in cases where there is an unquestionable practical need certified to by a responsible official. Reaffirmation of continuing need is accomplished in two ways. First, all limited passes bear a stipulated expiration date which is never more than one year from date of issuance. There is reexamination of the justification prior to the issuance of each subsequent pass. Secondly, each use of a limited pass must be recorded in a log book maintained at each building entrance. Such use is then recorded in a consolidated log book maintained in the Badge Office which reflects the total visits of each pass holder. Thus there is continuing verification of the justification for the pass based upon actual frequency of use.

Each limited pass holder receives a security indoctrination and briefing appropriate to the duties he is authorized to perform within CIA buildings. Consultants receiving limited passes, for example, are required to read the CIA Security Regulations and to attend the Security Indoctrination. In some few cases where a consultant cannot arrange to visit Washington, for the formal indoctrination, an individual briefing is arranged.

Further security controls are built into limited building passes, whenever appropriate, by limiting passes to essential buildings only or to certain hours of the day. In addition, limited building passes may not be used to receive or escort visitors.

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RECOMMENDATION #13

The status of the Inspection Division should be changed from a division to a staff since it is not a line command function.

ACTION

This recommendation was implemented on 29 July 1954.

RECOMMENDATION #14

The Physical Security Branch should be made a division and five additional people be added to the T/O.

ACTION

This recommendation has been tentatively and unofficially put into effect in anticipation of similar recommendations said to be contained in a study being completed by the Management Staff/DD(S). No decision will be made as to the number of additional personnel which may be needed until the manpower needs as reflected in the Management study have been formally authorized.

RECOMMENDATION #16

Consideration be given to classifying the position of Chief, Alien Affairs Staff, at the same grade in existence or recommended for the other Security Office Staff Chiefs.

ACTION

This recommendation has been accomplished.

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RECOMMENDATION #19

The Director of Security and other officials concerned should be commended on the soundness of the technical interview program.

ACTION

The Director of Security has received commendation from the Deputy Director (Support) and the Inspector General as a result of the subject Inspector General's Report.

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RECOMMENDATION #20

Appropriate action should be taken on suggestions made in the discussion section of this Report regarding certain personnel changes, administrative corrections and modifications in some operational practices which may be of benefit to the various supervisors and several of the Security Office components.

ACTION

The Survey Report was carefully studied and analysed to isolate all significant supplementary recommendations or noted deficiencies. Wherever possible, such supplementary items have been added to a basic related recommendation and have been considered as part thereof in the action taken.

Items which could not easily be related to the formal recommendations have been set up separately as recommendations 20-a through 20-s.

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RECOMMENDATION #20-a

Page 8, paragraph 5 includes the following statements: "CIA has additionally informed the Civil Service Commission that all regular positions in the Agency are sensitive positions and therefore come under the purview of Executive Order 10450. However, we continue to appoint as staff employees provisionally-cleared people, principally clerical help, whose continued employment is based on satisfactory completion of a full field investigation and technical interview."

By inference, it is assumed that this finding is a recommendation for the review of the policy and procedures under which CIA personnel are sometimes employed with only a provisional security clearance.

ACTION

The policy under which personnel are sometimes employed with a provisional security clearance has always been under close scrutiny by the Security Office and is carefully controlled. Basically, the Security Office would prefer the discontinuance of the practice of persons entering on duty under provisional clearances; however, it is recognized that for the successful operation of the Agency, consideration must be given to the personnel procurement problems of the Office of Personnel.

Present policy, accordingly, is to permit the employment of persons on a provisional clearance when the long-range services of the individual are sorely needed by the Agency but cannot be obtained if the individual must await the normal full clearance period. Employment under a provisional clearance is, in every case, probationary and subject to a full clearance. In addition, the individual can only be assigned to non-sensitive duties until fully cleared.

Historically, the unclassified positions in the uncleared pool (IAB) have not been considered as "regular positions." Employees in that category are considered to be in a "hold" status and are not in "full duty" positions during that period. This arrangement has been developed by the Office of Personnel in order to afford the Agency a reasonably competitive position in the procurement of personnel in the lower grades, mainly clerical. As recently as 60 days ago, the Office of Personnel has requested that we handle provisional clearances on a 48-hour basis, inasmuch as applicants are being "lost" to other agencies who do not require pre-employment clearances.

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RECOMMENDATION #20-a (Continued)

Executive Order 10450 states that "the head of each department and agency of the Government shall be responsible for establishing and maintaining within his department or agency an effective program to insure that the employment and retention in employment of any civilian officer or employee within the department or agency is clearly consistent with the interests of the national security." Section 3(a) states in part, "The appointment of each civilian officer or employee in any department or agency of the Government shall be made subject to investigation. . . . Should there develop at any stage of investigation information indicating that the employment of any such person may not be clearly consistent with the interests of national security, there shall be conducted with respect to such person a full field investigation, or such less investigation as shall be sufficient to enable the head of the department or agency concerned to determine whether retention of such person is clearly consistent with the interests of the national security."

Within the above framework, it is believed that the practice of provisional clearances under our present procedures is consistent with the interest of the national security. It is further believed that Executive Order 10450 permits the employment of persons in non-sensitive positions before investigation is completed.

In view of the preceding discussion, no change in present policy or practice is considered necessary. Close scrutiny of the situation will be maintained at all times.

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RECOMMENDATION #20-b

Observation is made on page 15 of the Report that an audit should be made to determine whether the position of Chief of the Operations Branch, Special Security Division should not be increased from grade GS-14 to GS-15.

ACTION

Appropriate action has been initiated to secure consideration of the proper grade level of the position of the Chief of the Operations Branch.

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RECOMMENDATION #20-p

Page 37 of the Survey Report states that overseas surveys listed in the schedule for inspection in FY 1955 should only be done after coordination with the Inspector General.

ACTION

The Director of Security concurs. Any inspections conducted overseas by the Inspection Staff will, as a routine matter, be coordinated with the Inspector General.

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RECOMMENDATION #20-c

The Report states on page 16 that consideration should be given to increasing the grades of personnel in the Covert Records Section so that more mature, professionally minded career people might be obtained for this operation.

ACTION

The high turnover of personnel in the Covert Records Section is fully recognized as an undesirable situation. It is being considered by the Management Staff, Office of the Deputy Director (Support), in its current study of the Office of Security.

No action will be taken on this suggestion until the current Management Survey is completed.

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RECOMMENDATION #20-k

Page 25, paragraph 8, suggests the development of a procedural manual for the Security Division and Branches.

ACTION

The Security Office concurs with the recommendation. However, in view of the close integration of the Security Division and each of its branches, the necessity for independent judgment in connection with its problems, and considering the heavy work load of our various components, it has been felt that the formulation of such manuals should not be given high priority among the work requirements of the Division.

A more specific report on this item will be made by 1 June 1955.

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RECOMMENDATION #1

Personnel in the Security Office duplicating the file and name check search activity of the Records Integration Division (RI) should be discontinued by the Security Office. In cases, however, where additional information is essential because of prior employment or sensitive information is required, representatives of the Security Office should be permitted to obtain the appropriate files from RI as well as information from the files of the Area Divisions which may aid in conducting the investigation.

SUPPLEMENTARY

The recommendation is made on page 19 of the Survey Report that the six to eight Security personnel engaged in this work be reassigned elsewhere.

ACTION

The arrangement with DD/P eliminates duplication of searches of RI files by Security Office personnel and personnel of the DD/P organization. In accordance with an agreement between the Deputy Director (Plans) and the Director of Security, searches of RI files for operational approvals are made by the interested division of DD/P. The Security Office searches RI files in cases of covert security approval.

The Security Office has not found it feasible to reduce Security Office personnel engaged in searching RI files because of staff employee cases, covert security clearance cases, covert security approval cases, and extraneous activities relating to the searching of RI files on behalf of other Federal agencies. The relatively small amount of man hours gained by the discontinuance of RI file searches in operational approval cases has been more than offset by the increased workload in other activities of the Security Support Division.

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RECOMMENDATION #6

The Deputy Director (Administration) and the Director of Security in coordination with the Deputy Director (Plans) should study the problem of emergency destruction and make recommendations to the DCI as to where responsibilities lie and how a flexible emergency program on a world-wide scope can be developed and implemented.

SUPPLEMENTARY

The text on pages 10 and 11 concerning the emergency destruction program contains the following statements:

- a. Responsibility for developing an overseas emergency destruction program has not been clearly assigned (p. 10, paragraph 2).
- b. Policy and program planning appear logically to be the responsibility of the Security Office (p. 10, paragraph 3).
- c. The Security Office should draft an emergency program (p. 10, paragraph 4).
- d. Attention should be paid to the development of sufficient and adequate devices and methods for the quick destruction of classified files and equipment (p. 10, paragraphs 5 and 6).

ACTION

The Director of Security does not agree that the Security Office should assume basic responsibility for the development of an overseas emergency destruction program, as may be inferred from the supplementary items taken from the text of the Survey Report. Since July 1953 the Emergency Planning Officer has been conferring with the DD/P component in the development of policy guidance governing emergency planning for overseas Field stations.

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RECOMMENDATION

It is undesirable that CIA must depend on a guard force responsible to another agency with full Civil Service job protection. The DD/S and the Director of Security, in collaboration with General Counsel, should determine what administrative and legal problems must be overcome in order to develop a guard force trained and controlled by CIA.

ACTION

The matter of an independent CIA guard force has heretofore been given a great amount of consideration. It has been determined by the DD/S that until the Agency is housed in one building, it is not feasible administratively to establish an independent guard force.

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RECOMMENDATION #12

The Personnel-Medical-Security Panel which considers complicated security cases at the request of the Director of Security should be expanded to include two additional disinterested persons, chosen from the Deputy Director (Plans) and Deputy Director (Intelligence) components.

ACTION

The Office of Security does not concur with this recommendation as it does not appear to be consistent with the purpose of the Panel. The Survey Report is in error in stating that the purpose of the Panel is to pass upon complicated security cases. In fact, the security determination on any individual is the responsibility of the Security Office.

The purpose of the Personnel-Medical-Security Panel is to permit the Security Office to bring to the collective attention of the Personnel and Medical Offices miscellaneous, often unverified information, which has been secured during the investigative process. Such information, while not affecting the basic security determination, can often assist the Medical and Personnel Offices in making appropriate determinations in their respective areas of responsibility, since it can materially assist in the interpretation and evaluation of the official information compiled by these offices.

In terms of the above, the recommendation that "two disinterested persons chosen from the DD/P and DD/I components" be added to the Panel would appear to serve no purpose. Rather, it would appear to involve the disclosure of information secured through investigative techniques to Agency components having no need to know.

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